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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA 958

June 1957

Number 11

Reserve Volume 1

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Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY JUNE 1957

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.82, Excess Milk \$3.04. The butterfat differential is 7.1 cents for each one-tenth of one percent above or below 4.0%. (See page 3)

During June 68.1% of the total producer milk was priced in Class I at \$5.28 per cwt. with a butterfat differential of 7.7 cents and 31.9% was priced in Class II at \$3.08 per cwt. with a butterfat differential of 6.8 cents. The percent of producer skim and butterfat priced in Class I was 68.6% and 57.9% respectively. Base milk was 85.2% and excess milk was 14.8% of the total producer deliveries. All excess milk and 20.1% base milk was priced in Class II and 79.9% of base milk was priced in Class I. The daily average base delivered was 92.6% of the established base.

The daily average deliveries of producer milk during June decreased 8.7% compared with May and the daily average use of Class I milk decreased 6.2% compared with May.

The Order MINIMUM Class I price for July is \$5.28 (Basic formula \$3.53 plus \$1.75 Class I Differential). The Class I price did not change from last month. The butter-powder formula price of \$3.53 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for July.

DAIRY COUNCIL AND ADA DEDUCTIONS

A meeting of dairymen was held June 21, 1957 pursuant to notice under date of June 12, 1957 and I have determined that there is no substantial opposition by milk producers to making deductions for the support of Dairy Council and American Dairy Association in the Chattanooga area.

It is now possible, as a result of this determination, for Chattanooga area handlers to cooperate with the Dairy Council and ADA programs by making specified hundredweight deductions from their payments to producers (1¢ DC and 2¢ ADA), provided that the handler gives each producer advance notice of his intention to make these deductions for one year beginning July 1957. All handlers are advised not to make a deduction for Dairy Council or ADA if a producer writes requesting that no deduction be made. My office will examine the letters which producers send to handlers regarding these deductions and will also verify that all money deducted from producers for the support of Dairy Council or ADA is paid by the handlers to the proper agency.

The future support of these programs now depends on the voluntary action of handlers and producers.

/s/ J. B. McCroskey  
Market Administrator

## COMPARISON OF MILK RECEIPTS AND UTILIZATION

	June '57	May '57	Apr. '57	Mar. '57
Number of Plants Reporting - Pool	16	16	16	16
Non-Pool	4	4	4	4
<u>GROSS RECEIPTS (DAILY)</u>				
Producer Milk Pounds	392,416	429,684	436,110	399,122
% June '57 compared with:	100.0	91.3	90.0	98.3
Other Source Milk Pounds	23,105	23,902	23,064	22,525
<u>TOTAL MILK POUNDS</u>	415,521	453,586	459,174	421,647
% June '57 compared with:	100.0	91.6	90.5	98.5
<u>GROSS UTILIZATION (DAILY)</u>				
Class I Milk Pounds				
Fluid Milk	234,541	252,434	261,010	266,039
Buttermilk	35,621	35,921	36,539	36,787
Chocolate Milk	6,679	6,462	6,726	6,137
Fluid Skim	4,705	5,134	5,307	5,374
Fluid Creams	1,889	2,424	2,153	1,992
Bulk Milk and Cream to Non-Handlers	359	309	224	308
Class I Shrinkage	2,202	2,683	1,946	977
Inventory Reclassification	(330)	(839)	(593)	(470)
Overstated Sales	-0-	-0-	(21)	-0-
<u>TOTAL CLASS I MILK</u>	285,666	304,528	313,291	317,144
% June '57 compared with:	100.0	93.8	91.2	90.1
Class II Milk Pounds (Used to Produce)				
Butter	1,855	1,723	2,312	4,071
Cheddar and Cottage Cheese	9,992	10,664	10,922	8,586
Powder and Condensed Milk	80,051	105,826	105,163	67,555
Ice Cream	25,312	24,761	22,502	17,824
Inventory Variation	4,740	(2,658)	(2,371)	(404)
Other 1/	7,905	8,742	7,355	6,871
<u>TOTAL CLASS II MILK</u>	129,855	149,058	145,883	104,503
% June '57 compared with:	100.0	87.1	89.0	124.3
% Producer Milk of Gross Class I	137.4	141.1	139.2	125.8
% Producer Skim of Gross Class I Skim	136.5	140.3	138.3	124.9
% Producer Bf. of Gross Cl. I Bf.	160.8	163.4	163.4	150.7
% Producer Milk Priced in Class I	68.1	66.5	67.5	74.8

JUNE MARKET SUMMARIES - 16 POOL PLANTS AND 4 NON-POOL PLANTS

## Classification by Source

	Total		Class I		Class II	
	Pounds	%	Pounds	%	Pounds	%
Producer Milk	11,772,481	94.4	8,017,312	93.6	3,755,169	96.4
Other Source Milk	693,144	5.6	552,659	6.4	140,485	3.6
Total	12,465,625	100.0	8,569,971	100.0	3,895,654	100.0

## Classification of Base and Excess Milk (Daily Average)

	Producer total		Producer Base		Producer Excess	
	Pounds	%	Pounds	%	Pounds	%
Class I	267,244	68.1	267,244	79.9	-	-
Class II	125,172	31.9	67,168	20.1	58,004	100.0
Total	392,416	100.0	334,412	100.0	58,004	100.0



**SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JUNE 1957**  
Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		8,569,971	3.611		
Less Other Source		552,659	3.904		
Producer Milk Class I	68.1	8,017,312	3.590306	\$4.964536	\$398,022.34
Gross Class II		3,895,654	5.385		
Less Other Source		140,485	.157		
Producer Milk Class II	31.9	3,755,169	5.581054	4.155117	156,031.67
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,772,481	4.225312		554,054.01
Less Fractional Adjustment					.06
Add Unpriced Milk Allocated to Cl. I					571.26
Add Overage Value					175.00
Add Inventory Reclass. Value					17.40
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,404.31
TOTAL VALUE AT TEST		11,772,481	4.225312		560,221.92
Less Test over 4% @ 7.1¢ per point		11,772,481	.225312	0.159972	18,832.67
TOTAL VALUE AT 4% TEST		11,772,481	4.0		541,389.25
		Pounds	Price-4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,740,121	\$3.08	\$53,595.73	
Total Excess Producer Milk		1,740,121	3.080000	53,595.73	
Less Prod.-Settlement Fund Res. @ 4¢		1,740,121	.04		696.05
UNIFORM EXCESS PRICE f.o.b. PLANT		1,740,121	3.04		52,899.68
Value of Base Milk (Total less excess)		10,032,360	4.862201		487,793.52
Less Prod.-Settlement Fund Reserve		10,032,360	.042201		4,233.76
UNIFORM BASE PRICE f.o.b. PLANT		10,032,360	4.82		483,559.76

**JUNE 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)**  
**BUTTERFAT DIFFERENTIAL 7.1¢ PER POINT**

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.11	\$2.33	4.0	\$4.82	\$3.04	5.0	\$5.53	\$3.75
3.05	4.1555	2.3655	4.05	4.8555	3.0755	5.05	5.5655	3.7855
3.1	4.181	2.401	4.1	4.891	3.111	5.1	5.601	3.821
3.15	4.2165	2.4365	4.15	4.9265	3.1465	5.15	5.6365	3.8565
3.2	4.252	2.472	4.2	4.962	3.182	5.2	5.672	3.892
3.25	4.2875	2.5075	4.25	4.9975	3.2175	5.25	5.7075	3.9275
3.3	4.323	2.543	4.3	5.033	3.253	5.3	5.743	3.963
3.35	4.3585	2.5785	4.35	5.0685	3.2885	5.35	5.7785	3.9985
3.4	4.394	2.614	4.4	5.104	3.324	5.4	5.814	4.034
3.45	4.4295	2.6495	4.45	5.1395	3.3595	5.45	5.8495	4.0695
3.5	4.465	2.685	4.5	5.175	3.395	5.5	5.885	4.105
3.55	4.5005	2.7205	4.55	5.2105	3.4305	5.55	5.9205	4.1405
3.6	4.536	2.756	4.6	5.246	3.466	5.6	5.956	4.176
3.65	4.5715	2.7915	4.65	5.2815	3.5015	5.65	5.9915	4.2115
3.7	4.607	2.827	4.7	5.317	3.537	5.7	6.027	4.247
3.75	4.6425	2.8625	4.75	5.3525	3.5725	5.75	6.0625	4.2825
3.8	4.678	2.898	4.8	5.388	3.608	5.8	6.098	4.318
3.85	4.7135	2.9335	4.85	5.4235	3.6435	5.85	6.1335	4.3535
3.9	4.749	2.969	4.9	5.459	3.679	5.9	6.169	4.389
3.95	4.7845	3.0045	4.95	5.4945	3.7145	5.95	6.2045	4.4245

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Sept. '56	\$5.00 <sup>1/</sup>	-	-	7.2¢	\$5.28	7.7¢	\$3.57	6.9¢
Oct.	5.08 <sup>1/</sup>	-	-	7.3¢	5.32	7.8¢	3.60	7.0¢
Nov.	5.02 <sup>1/</sup>	-	-	7.4¢	5.35 <sup>1/</sup>	7.9¢	3.65	7.1¢
Dec.	4.93 <sup>1/</sup>	-	-	7.2¢	5.40 <sup>1/</sup>	8.0¢	3.55	6.9¢
Jan. '57	4.97 <sup>1/</sup>	-	-	7.1¢	5.37 <sup>1/</sup>	7.8¢	3.53	6.8¢
Feb.	4.90 <sup>1/</sup>	-	-	7.1¢	5.36 <sup>1/</sup>	7.7¢	3.24	6.8¢
Mar.	4.76 <sup>2/</sup>	\$5.01 <sup>1/</sup>	\$3.14	7.1¢	5.33	7.7¢	3.18	6.8¢
Apr.	4.55 <sup>2/</sup>	4.90 <sup>1/</sup>	3.09	7.1¢	5.28	7.7¢	3.13	6.8¢
May	4.54 <sup>2/</sup>	4.88 <sup>1/</sup>	3.07	7.1¢	5.28	7.7¢	3.11	6.8¢
June	4.55 <sup>2/</sup>	4.82	3.04	7.1¢	5.28	7.7¢	3.08	6.8¢
July	-	-	-	-	5.28	7.7¢	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS			ALTERNATIVE FORMULAS				Highest or Basic Formula
	Chi. 92° Butter	Chi. Area Powders	Wisconsin Cheese	Cond. Mid-West	Butter- Cheese	Butter- Powder	4 Tenn. Milk mfgs	
	¢ lb.	¢ lb.	¢ lb.	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%	\$-cwt-4%
June '56	59.125	14.305	33.170	3.40	3.23	3.51	-	3.51
July	59.208	14.155	33.188	3.41	3.23	3.52	-	3.52
Aug.	59.462	14.310	33.175	3.44	3.24	3.53	3.08	3.53
Sept.	60.283	14.280	33.172	3.54	3.28	3.57	3.12	3.57
Oct.	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60
Nov.	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65
Dec.	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan. '57	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58
Mar.	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK <sup>3/</sup>					Number		Deliveries Per			Prod. Milk Test
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.	Gross Repts.	Hdlrs.	Prods	Farm -	-	Pounds	
								Prod.	Base	Exc.	
Sept. '56	328011	305451	348940	-	378245	21	801	436	-	-	4.43
Oct.	341141	320375	362430	-	391553	21	864	419	-	-	4.51
Nov.	332580	314230	379289	-	401712	21	857	443	-	-	4.58
Dec. <sup>4/</sup>	303228	284777	369649	-	393126	20	799	463	-	-	4.51
Jan. '57	322403	303733	377851	-	400561	20	801	472	-	-	4.53
Feb.	324867	304917	384231	-	408549	20	798	481	-	-	4.40
Mar.	317144	298694	399122	345918	421647	20	794	503	436	67	4.36
Apr.	313291	294353	436110	351986	459174	20	797	547	442	105	4.24
May	304528	285623	429684	349056	453586	20	793	542	440	102	4.21
June	285666	267244	392416	334412	415521	20	793	495	422	73	4.23

ACTIVITIES OF CHECK TESTERS JUNE 1957: Plant calls 120; Plant Scales checked 6; Samples tested - Composite 2440, Fresh 4,320, Finished Products 136.

<sup>1/</sup> Excludes Premium.

<sup>2/</sup> For statistics only

<sup>3/</sup> Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess receipts is Producer minus Base.

<sup>4/</sup> Audited figures through December 1956.